

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

Case No. 05-89154

TEC FOODS, INC.,

Chapter 11

Debtor(s).

Judge Thomas J. Tucker

**OPINION REGARDING DEBTOR'S APPLICATION "TO FURTHER
EXPAND THE SCOPE OF SERVICES PROVIDED BY UHY LLP AS TAX
ACCOUNTANTS" (DOCKET # 654)**

On June 7, 2007, Debtor filed an Application entitled "Application of the Debtor to Further Expand the Scope of Services Provided by UHY LLP as Tax Accountant" (Docket # 654). On the same day the United States Trustee filed a statement concurring in the Debtor's Application (Docket # 655). Although it has not yet done so, presumably the Debtor intends soon to electronically submit a proposed order granting its Application, under L.B.R. 2014-1(b) (E.D.M.) Upon consideration, the Court will grant Debtor's Application in part and deny it in part, and directs Debtor to submit an appropriate, revised order consistent with this opinion.

Debtor's Application, and the proposed order attached to the Application, seek to expand the scope of services provided by UHY LLP ("UHY") as tax accountant for the Debtor's estate. Among the expanded services requested by the proposed order attached to the Application is for UHY to "provide any assistance and expertise needed from an accounting perspective, particularly with respect to tax issues, regarding the sale of Debtor's assets." (Docket # 654, proposed Order). This aspect of Debtor's Application must be denied.

On May 18, 2007, the Court entered an Order directing the appointment of a Chapter 11 Trustee for the purpose "of selling all or substantially all of the Debtor's assets outside the

ordinary course of the Debtor's business under § 363 of the Bankruptcy Code and to take all actions and to make all decisions on behalf of the Debtor as shall be necessary to accomplish the sale. . . ." (See Order, Docket # 616, at p. 2). From the time of the entry of the Trustee Order, the Debtor has been *dispossessed* of any authority with respect to any sale of its assets outside the ordinary course of business. All such authority of the Debtor now resides in the Chapter 11 Trustee, Michael Stevenson. That authority includes any authority to retain professionals, including any tax accountants, to assist with respect to any such sale. The Debtor, therefore, has no authority to retain UHY, or to seek authority to expand UHY's previous retention, for the purpose quoted above. Any such retention must be requested and made by the Chapter 11 Trustee, not the Debtor. And to date the Trustee has made no such request.

For these reasons, the Debtor's Application to expand the scope of services provided by UHY must be denied to the extent indicated in this opinion. If the Debtor still wishes to obtain authority to expand the services UHY may provide for the Debtor in the other respects stated in the Application, Debtor may do so. Debtor must promptly submit a revised proposed order that is consistent with this opinion, or in the alternative, withdraw its Application entirely.

Not for Publication

Signed on June 8, 2007

/s/ Thomas J. Tucker
Thomas J. Tucker
United States Bankruptcy Judge